

AUTONOMY AND DEVOLUTION

ECO GOVERNANCE
ROUNDTABLE DISCUSSION
20 JUNE 2002

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2ND EcoGOVERNANCE
ROUNDTABLE DISCUSSION

AUTONOMY AND DEVOLUTION

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UP DILIMAN, QUEZON CITY

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Acronyms

ARMM	-	Autonomous Region of Muslim Mindanao
BIR	-	Bureau of Internal Revenue
CLCD	-	Center for Leadership, Citizenship, and Democracy
DAR	-	Department of Agrarian Reform
ECC	-	Environmental Clearance Certificate
EcoGov	-	Environmental Governance Program
DENR	-	Department of Environment and Natural Resources
DILG	-	Department of the Interior and Local Governments
LGU	-	Local government unit
IRA	-	Internal Revenue Allotment
LMP	-	League of Municipalities of the Philippines
MILF	-	Moro Islamic Liberation Front
MNLF	-	Moro National Liberation Front
NCPAG	-	National College of Public Administration and Governance
SOCSARGEN	-	South Cotabato, Saranggani, and General Santos
TAG	-	Transparency and Accountability Governance
USAID	-	United States Agency for International Development

Autonomy and Devolution: Innovations in Governance in the Philippines

Atty. Eleuterio “Terry” Dumogho
Representative of Senator Aquilino Pimentel

I would like to apologize for Senator Pimentel, who is now in the U.S. for a prior engagement.

I would like to start by saying that the subject that we are discussing today should have been done ten years ago, because environment is one of those programs and functions devolved by the national government to the local government under the Local Government Code of 1991.

Let me begin with the general principles on public project implementation, because this is the very core and provides the bases for what should be done later on in relation to the implementation of the Local Government Code. We have three local government units (LGUs) under the code which are given environmental functions and programs: the municipalities, cities, and the provinces. Let us focus on the municipalities and provinces.

At the municipal level, for example, programs being implemented are community-based forestry projects, including social forestry programs, and similar projects such as control of communal forests, establishment of tree parks, greenbelts, and similar development forestry projects. Also included in the devolved functions is the creation of environmental management systems.

At the provincial level, devolved functions include the creation of community-based forestry projects and the enforcement of forestry laws, pollution control laws, the small mining law, and all laws protecting the environment. Another one is the establishment of mini hydroelectric projects.

Now these are the bases of the LGUs in performing the functions otherwise performed before by the Department of Environment and Natural Resources (DENR). But the question is, are they capable of doing it? The answer is “Yes,” and “No.” “Yes” if they are prepared, in terms of capability-building in so far as

It is instituted in the Local Government Code that the local government units should be consulted in the implementation of programs and projects, and including those that have to do with our natural resources and environment.

technological application is concerned, and if they have the money to implement the programs. “No” if they do not know how to improve themselves, do not take the initiative to advance their knowledge in so far as implementation of these laws are concerned, and if they do not know how to tap financial resources.

How can the LGUs properly implement their new functions? It is instituted in the Local Government Code that the LGUs should be consulted in the implementation of programs and projects, including those that have to do with our natural resources and environment.

The consultation process is provided for in the code. It says here in Section 2 paragraph C, “It is likewise the policy of the State to require all national agencies and offices to conduct periodic consultations with appropriate local government units, non-governmental and people's organizations, and other concerned sectors of the community before any project or program is implemented in their respected jurisdiction”. So it is a policy of the State that there must be periodic consultation.

The Local Government Code of 1991 went further. In Section 26 it provides that, “It shall be the duty of every national agency or government-owned or controlled corporation authorizing or involved in the planning and implementation of any project or program that may cause pollution, climatic change, depletion of non-renewable resources, loss of cropland, grassland or forest cover, and extension of animal or plant species, to consult with the local government units, non-governmental organizations, and other sectors concerned, and explain the goals and objectives of

the project or program, its impact upon the people and the community in terms of environmental or the ecological balance, and the measures that would be undertaken to prevent or minimize the adverse effects thereof."

The LGUs must be provided further with power for the environment to be well protected.

The Code is very specific in so far as consultation is concerned, especially when it involves the environment or ecological balance. But that is not enough. According to the law, the LGU must be provided further with power for the environment to be well protected. Section 27 provides that "No projects or programs shall be implemented by government authorities unless the consultations made in Sections 2C and 2-26, thereof, are complied with, and prior approval of the Sanggunian concerned is obtained. Provided, that the occupants in the area where such projects are to be implemented shall not be evicted unless appropriate relocation sites have been provided in accordance with the provisions of the Constitution."

The local Sanggunian has the power to legislate ordinances related to the protection of the environment. For example, the Sanggunian can enact a law or ordinance regulating the operation and maintenance of power lines. We all know that defective or old posts and power lines pose a hazard to the environment, and of course, the community.

The Sanggunian can pass an ordinance imposing appropriate penalties for acts which endanger the environment. Sad to say, the local governments seem not aware of this. Even in Valenzuela and in Caloocan City, when I asked the mayors about the enactment of an ordinance regulating the operation and maintenance of power lines, they said they had no ordinance. If this is the situation in Metro Manila, which is supposedly well-informed about these matters considering its proximity to the seat of national government, how much more in the provinces, municipalities or cities outside of Metro Manila?

I think it is the responsibility of the Department of Interior and Local Government (DILG), through the Local Government Academy, to intensify seminars and workshops, especially for the members of the local Sanggunian, for them to understand

Proposed amendments are now embodied in Senate Bill No. 826. One is the mayor can be authorized by the Sanggunian to issue an Environmental Clearance Certificate.

properly the provisions of the law, which mandate them to enact ordinances that will address issues such as dynamite fishing and illegal logging.

I would like to mention here some of the proposed amendments to the Local Government Code, which have something to do with

the environment.

These proposed amendments are now embodied in Senate Bill No. 826. One is the mayor can be authorized by the Sanggunian to issue an Environmental Clearance Certificate (ECC), and permit any firm or entity to operate in the municipality or city after the requirements of Section 20 C and 26 and 27, as amended, have been complied with.

Some people are asking me about the level of authority the mayors will have in the issuance of the ECC. What is being considered is to classify the industries into two. First, we have what we call the heavy or high-impact industry, and second, the low-impact industry. I think you will recall—those of you who are practitioners or involved in the implementation of environmental laws—that the authority to issue the ECC is divided into different levels: the national or Secretary level, the regional directors of DENR, the provincial directors of DENR.

Senator Pimentel is thinking that those issued now by the provincial director or the regional director can be issued at the local level. The local level may issue certificates to low-impact industries. The local government should require the submission of an ECC issued by the DENR, such as projects, programs and activities dealing with logging, quarrying; commercial and industrial districts, zones or establishments; reclamations, establishments and operation of non-ferrous industries, iron and steel mills; smelting plants, oil, gas and petroleum and petrochemical industries; etc. These should be subjected to the requirements of Section 2 C, Sections 26 and 27 of the Code, as amended.

My friends, this was a very short discussion. But considering your interest in environment, especially in terms of legislation, you can submit your requests and recommendations to the Office of Senator Pimentel. Any policy changes are always welcome at this time. But we would like to state firmly, that, Senator Pimentel, as a prime advocate of local autonomy, will not bend backwards in so far as the authority of the LGUs and implementation of the Local Government Code in relation to environment is concerned. We can improve something, we can strengthen, but we cannot bend backwards, so much so that some of local government functions will be taken back by the central government.

Situationer on Governance in Central and Western Mindanao
Abraham Iribani
Assistant Secretary
Department of Interior and Local Government

Salaam Allah'ikum. Peace be with you.

Professor Endriga, Professor De Vera, Director Dumogho—our speaker; Director De Jesus, Mr. Francis Donovan. *Magandang umaga sa inyong lahat.*

Unang una, gusto ko pong magpasalamat sa inyong pag-imbita sa akin upang makabigay ng aking opinyon, o kuru-kuro o assessment regarding the situation of governance in Central and Western Mindanao.

Central and Western Mindanao is a region where the present Autonomous Region of Muslim Mindanao (ARMM) used to belong. But right now, what we specially call Western Mindanao is now Zamboanga Peninsula, which is in Region 9. What we used to call Central Mindanao or Region 12 is still Region 12 but is now composed of the SOCSARGEN provinces—meaning South Cotabato, Sarangani and General Santos.

Achieving peace and development, and reducing widespread poverty require good governance and a healthy partnership between government and civil society. Unless government establishes a conducive political and legal environment, the business community becomes reluctant, and even the civil society becomes a reluctant partner in development. As a result, opportunities for job and income generation are lost. At the same time, civil society becomes constrained to engage in economic, social and political activities.

In the area of local governance, most of the local government units (LGUs) have been increasingly dependent on the Internal Revenue Allotment (IRA). The IRA, the share of the LGUs, significantly increased from 25 percent in 1999 to about 42 per cent in 2000, which led to a relaxation of the local tax collection efforts.

Available data indicate that LGUs' dependence on the IRA averages 74 percent for provinces, 42 percent for cities, and 66 percent for municipalities.

The enactment and implementation of the Local Government Code gave rise to problems and gaps that seriously impede the implementation of devolved functions.

The enactment and implementation of the Local Government Code, as explained by Director Dumogho, accordingly gave rise to problems and gaps that seriously impede the implementation of devolved functions. These problems and gaps were identified in a 1997 report by the Government and Local Democracy Project's "Seventh Rapid Field Appraisal of Decentralization" in Region 9 and Region 12. Among these problems and gaps are the following: continued dependence of the LGUs on traditional sources of funds, like the IRA; second, the unresponsive government auditing and accounting rules; third is the lack of inter-LGU cooperation; and fourth is the limited capability of the LGUs to identify and prepare project proposals, among others.

In the Zamboanga Peninsula—which is Region 9—the area is confronted with diverse groups of armed elements. We also have the local Communist movement. And we have the Moro Islamic Liberation Front (MILF), and very recently, we saw military confrontation between the Armed Forces and the elements of Abu Sayyaf Group.

In these areas, the member barangays affected is about only one percent of the total barangays in the region. Of course, if we measure it by the number of barangays affected, we might say that this is just a minimal problem. But as we have observed in the last few days, while it is a minimal problem because it involves only a small area, it has an implication on our national security situation.

Central to the issue of peace and order in Mindanao is the loss of ancestral lands by some people, the disparity in development vis-à-vis the other regions of the country, and widespread poverty.

In terms of number of families, there are statistics from the Department of Social Welfare and Development which showed that there are 7,885 families or 36,000 persons affected by the armed conflicts. These incidents have brought misconceptions that the area of

conflict is widespread and involves a major part of the region. While kidnapping incidents were isolated cases, the national and international attention that these incidents have gained resulted in the decline of investor confidence in the region.

As in the other parts of Mindanao, the diversity of culture in this region has contributed to the complexity of the peace and development problem. Central to the issue of peace and order in this region is the loss of ancestral lands by some people, the disparity in development vis-à-vis the other regions of the country, and widespread poverty.

The region's poverty incidence increased by 6.4 percentage points from 1997 to 2000. The increase in the region's poverty incidence is very substantial compared to the 2.0 percentage point increase in the National Capital Region. Reducing the poverty incidence is one of the great challenges in this region, which we call the Zamboanga Peninsula.

The recurrence of social or armed conflicts has created a general situation of uncertainty and instability and stalled development initiatives. The use of arms for resolving conflicts not only results in the deterioration of peace and development, but also worsens the socio-economic condition of the region and aggravate the psychological injury that is already deeply inflicted among affected sectors of society.

The same situation prevails in Central Mindanao or Region 12. There is also the problem of peace and order and the problem of illegal logging as well as the problem of illegal inland fishing. According to our first speaker, Director Dumogho, the local government is supposed to provide or undertake seminars, forums in order for the local government officials and employees to be able

to improve their capabilities in terms of governance. The DILG is conducting training for LGUs. Focus is on increased management, local legislation and financial capabilities. We also are conducting trainings, skills development orientation, values development and middle management courses. Qualified professionals are being sent for further training locally and abroad.

Now, I would like to go to the situation of the ARMM since Executive Secretary Nabil Tan was not able to come join us.

Based on the data gathered by the Asian Institute of Management, contained in a paper presented by former secretary of the Department of Agrarian Reform (DAR) Ernesto Garilao, we have in the ARMM as of year 2000, only 41 percent of the national roads paved. Meaning we have inadequate infrastructure facilities. Telephone density is at 0.4 percent; only 50 percent of the ARMM barangays are energized; only 62 percent barangays have access to potable water; and other various inadequate economic support facilities.

National environment policies are implemented in Muslim Mindanao without close coordination with the regional government, according to reports.

In terms of investment and productivity, investment generated continued to decline from 1997 to 2000. There is low gross regional domestic product. There is low family income. And there is low agricultural production.

In environment degradation, national environment policies are implemented in Muslim Mindanao without close coordination with the regional government, according to these reports. There is poorly regulated exploitation of the region's natural resources.

In terms of fiscal capacity and revenue generation, the ARMM has very low, in that Muslim Mindanao is still dependent on national budgetary support. Local government revenue generated is not enough to fund investment programs of the region.

There are weak institutional systems and processes. There is weak horizontal and vertical linkages with the national and regional agencies, LGUs, multi and bilateral donor agencies.

There is the executive and legislative agenda that is not harmonized in the ARMM.

There is unstable peace and order condition. The presence of lawless elements—the Abu Sayyaf, which is concentrated in Basilan and Sulu; the MILF, concentrated in Maguindanao and the Lanao Provinces.

This information, ladies and gentlemen, is as of year 2000. There is a new administration in the ARMM, which assumed office last January, headed by Governor Parouk Hussin. These statistics show us a picture of the ARMM from 1997 to 2000. Meaning the leadership during this period was at the hands of former ARMM Governor, Chairman Misuari of the MNLF. Dr. Hussin is also an official of the MNLF.

At this point, I would like to read to you the "Concept of Leadership in Islam." Muslims are expected to practice this. There are two documents that Muslim officials in government have to adhere to: The Local Government Code, or the Constitution, and the Koran.

In the Koran, Muslims are encouraged to have consultations, as in the Local Government Code. We call this "soorah", mutual consultation. This is the first principle of Islamic leadership.

In the Koran, Muslims are encouraged to have consultations, as in the Local Government Code. We call this "soorah", mutual consultation. This is the first principle of Islamic leadership. The Koran had made it clear that Muslim leaders are obliged to consult those who have

knowledge or those who can provide sound advice. The Koran said, "And those who answered the call of their lord, and established prayer, and who conduct the affairs by consultation". Even the prophet of Islam was directed by the Koran to consult his companions. I will read to you a verse in the Koran, which said, "It is part of the mercy of God that you deal gently with them. Were you severe or harsh-hearted, they would have broken away from you. So cast over their faults, and ask for Allah's forgiveness for them and consult them in the affairs of the moment".

So if this is asked of the prophet, how much more of ordinary men, ordinary Muslim leaders? Even the prophet was asked by God to consult his companions. Obviously the leader is not obliged to engage in "soorah" in all matters, but only in major ones. Routine matters can be dealt with differently from policy-making ones.

Another important pillar of Muslim leadership is justice. The leader should deal with people justly and fairly, regardless of their race, color, national origin, or religion. There is a verse in the Koran which said, "And let not hatred of others to you make you swerve to wrong on the part of justice. Be just; that is next to piety."

Where there is failure in Muslim leadership, that is usually the failure of the man. If that Muslim leader failed, he failed as a man, not as a Muslim leader.

And then another hallmark of Islamic leadership is freedom of thought. I've been emphasizing this to you because we have been hearing some observations of Muslim leaders in government not being competent, are not just, are not working—as if these qualities ARE the qualities of Muslim leaders.

We would like to tell you that these are not. What we have observed in provinces or areas where there is failure in Muslim leadership is the failure of the man. Like, if that Muslim leader failed, he failed as a man, not as a Muslim leader. Because as a Muslim leader, or as leader of this country we are supposed to follow the Constitution, and a Muslim is supposed to observe what is commanded of him by the Koran. Freedom of thought means that the Islamic leader should provide for and even invite constructive criticism. The people should be able to freely voice their views, objections, or have their questions answered.

I would like to cite an example. This is during the time of the Prophet Khalib Omar, the successor of the prophet was delivering a speech in the mosque. He was interrupted by an old woman in the crowd. He stopped and acknowledged the presentation of the old woman. He could have stopped the woman, because he was

the Sultan, but he did not. This only brings us to this hallmark of Muslim leaders—that there is freedom of thought.

So in governance, the leaders in the ARMM should practice this. As they practice this, they practice the Constitution, and the Local Government Code. They should be encouraged to engage in consultation with their people.

I hope I have presented to you my assessment, or view on leadership. In the open forum, we encourage you to ask questions. Thank you very much.

OPEN FORUM HIGHLIGHTS

Q

DENR still holds four major powers as part of their mandate. One is the power to allocate public lands. Second, it holds the power to issue ECC. It is also empowered to issue titles for alienable and disposable lands—two patents. I don't know whether that power has been stopped, but I think the agency is still issuing patents. And the fourth major power that DENR has retained over the years, is the power to issue resource use rights—annual allowable cuts, mining rights, foreshore leases and all those rights. These four major powers have been centralized by the government at DENR. The fifth power, which was already taken out of DENR in 1987, was the power to classify lands. I believe there is a need to examine the possibility of having the local governments share in these powers so that they would have incentives to manage public domains. What do you think of this?

A

Dumogho: That's really a high-powered question. You're going to rock Congress if the four powers exercised by the DENR will somehow be cut off, and then part of it will be given to the LGUs.

In so far as land titling or resource right is concerned, this is vested on the national government because naturally, the patrimony belongs to the State. The exploitation of this shall be subject to the rules and regulations of the State. But I think we have started it somehow. Congress has started it through the Local Government Code of 1991.

First, the reclassification of land. This was vested before in the DENR. But Republic Act 7160 stipulates that LGUs can reclassify agricultural lands into residential, commercial and industrial lands, in relation to preparing what we call the Comprehensive Development Plan and Utility of the agricultural lands of municipalities or cities.

Why are LGUs now authorized to reclassify? Right now, local executives are no longer considered just political leaders, but development leaders as well. They are being given this power to exercise proprietary functions. The national government could not just say, "This is commercial, this is residential" because they are not in the forefront of the activity. Second, if the national government still continues this kind of activity, the LGUs will not have any incentive to develop their own community.

As for land titling, I think the LGUs are not yet prepared. Actually even right now, the practice of collecting real property tax is not being given to the municipality; it belongs to the province.

A

Principe*: It is my personal position that what is important is to maintain what has been included in the Local Government Code. As it is now, and it is an accepted fact, the LGUs have really failed to exercise what had been devolved to them. As an example: One of the devolved programs of the national government—the DENR in particular, is the cadastral survey of lands. Just recently the DENR issued an administrative order recalling this devolved power. Why? Because I think nothing substantial has been done by the local governments on this matter.

What is the effect of this? Because of the absence of cadastral surveys, there is now difficulty on the part of DENR to issue land patents. We find it difficult to achieve what had been stated in the SONA of the President—that is, to distribute 1,000 hectares of land through our land patents.

I agree with the suggestion of Director Dumogho that the DILG should strengthen the capability of the LGUs by having more workshops on capability building.

**Antonio Principe, DENR Regional Executive Director*

There was a mention on possible amendments to the Local Government Code that will include giving mayors the authority to issue ECCs. I think this should be studied carefully. My personal observation is that even the DENR had gone beyond the intended scope of ECCs.

One example in Region 4: There was an applicant who wanted to construct a house somewhere in Aurora province. What the project management officer of the local municipality did was to ask for an ECC. And it's only the DENR Regional Office or the Office of the DENR Secretary that could issue an ECC.

Many municipalities are now requiring that project proponents submit ECCs. Perhaps they are doing this because it's a source of revenue. But that is not the intention of PD 1586. Under this, only environmentally critical projects and projects in environmentally critical areas require ECCs. To me, poultry and piggery projects should be placed under the coverage of the Sanitation Code.

I think requiring ECCs also hinders economic development because it is very costly to secure an ECC.

My suggestion is that the local governments should involve themselves in the monitoring of issued ECCs. For example, in Region 4 where I used to be assigned, I had issued 3,600 ECCs. But only 10 percent can be effectively monitored. My suggestion is to involve the local government in the monitoring. In fact, LGUs can also get an income out of that. Penalties for the violation of certain terms and conditions in the ECC can go to the coffers of the LGU. It is a matter which probably can be studied under the EcoGovernance Project.

As for land-titling, it is a very sensitive issue. In fact, even at the DENR, we can still find a number of patents that have been illegally issued. It is worthwhile to look into that aspect and maybe slow down a bit on the proposal to devolve land titling functions to the LGUs.

Q

When I heard the presentations this morning, I cannot help but agree with all of them. They appear very impressive. But let me state one important problem that has always been with us since our Independence in 1946 -- the gap between rhetoric and action. In the implementation of projects, in general, by the time money is released to a local project, you are very lucky if 30 percent of that amount goes to actual implementation. And if you are unlucky, nothing goes to it.

We have funds being poured into the local areas for the improvement of our ecological system, yet we cannot speak of any progress ecologically.

Who is to blame? The local leaders? Are you going to blame Islam? No, because Islam as an ideology is based upon the theory of cleanliness.

I have never been convinced that the ARMM will work out. Why? Because 50 percent of the problem in Muslim Mindanao is psychological. So until you have solved the psychological problem, you will not be able to implement anything realistically. You have to address the psychological problem, for example, that the Muslims have been deprived of participation in their own affairs. Second, the Muslims have been denied their right to tradition. Third, the Muslims have been denied their right to their ancestral lands.

One of the ideas that I thought was reviving the traditional political structures. Why do I say this? When you talk to people there, and you ask, 'Sino ba ang Barangay Captain?', it does not click in their head. Because the title 'Barangay Captain' is something foreign to them. But when you ask, 'Who is the Datu?', 'Who is the Maja Rajah?', 'Who is the Sultan?' you will get an answer.

I think today is the time to present this idea. I would like to know what our speakers think.

A

Dumogho: I just would like to respond first to the comment of our good professor regarding the money intended for a project, which goes instead to the pockets of corrupt officials.

In the proposed amendments to the Local Government Code, we have introduced an innovation in so far as the implementation of projects by the national government is concerned. For example, a road building project in Negros that is around 60 kilometers, traversing different municipalities. At present, this is implemented by the Department of Public Works and Highways—national. Now we are proposing that the supervision and management of all road-building projects or bridges, funded by the national government, be done by the local officials. In the case of the road project which traverses around five or six municipalities, the implementation and supervision should be done by the provincial executive with a team of municipal officials coming from the area affected by the projects.

To cite an actual case, there is this school where 30 classrooms would be built with an appropriation of P18 million. The implementation was given directly to the provincial government. As a result, instead of finishing only 30 classrooms, 42 were completed.

A

Iribani: I agree with Dr. Tan that the problem in Muslim Mindanao is 50 percent psychological. Even if you bring money to Mindanao they will still say they have a problem. Even if you eliminate all the Abu Sayyafs, tomorrow there will still be kidnapping.

Anyone in Sulu or Basilan can be an Abu Sayyaf. They can engage in kidnapping. Why? Because of this psychological problem. But aside from that, the problem lies on the issue of leadership.

In Muslim areas, we need grand leaders, leaders who can work together with the traditional leaders—the Sultan, the Datu, and the Ulama. Oftentimes, the leaders in government in Muslim areas, when they become governors, they don't have time to talk with the Ulama, the Sultan or the Datu. And yet, as observed by Dr. Tan, the people in the community have high respects for the Ulama and for the Datu. It is the Sultan and the Ulama that can call them to jihad, not the governor or the

barangay chairman, or the congressman. Not even the ARMM governor can call these Muslims to jihad.

Unfortunately, I cannot agree with you Sir on the issue of removing the ARMM for now, because the only government structure for us is the ARMM. In the new expanded ARMM law, there is already the recognition of the traditional Muslim institutions. It did not specifically mention there the Sultanate, but I believe the Sultanate is part of the traditional institutions of the Muslims. Therefore, the Sultanate can operate.

How the Sultanate can operate in the ARMM is for us—in the national government, the academe, and other sectors of society—to encourage and support. The three pillars of leadership in the Muslim areas: the Sultanate, the Sultan, and the Datu; the Ulamas, the religious leader; and then the professionals, or those elected to government office. If they work together, they would be very strong. No terrorist group can challenge them; even the Abu Sayyaf will succumb to the leadership of the Ulama and the Sultan. The strength of the Abu Sayyaf is that they want an Islamic state. So if the Ulama, who is the authority on Islam, is with government, then there will be no room for this so-called extremist group to threaten society.

In terms of promoting leadership in the Muslim areas, we should give what is due to the Muslim leaders in government. Like in the ARMM—give them the budget. Even if we do not like the ARMM now, let us still give them the full support because it is the recognized government structure there. But come election time we should tell the people to elect the best from among these leaders.

There is a feeling in the Muslim areas that Muslim leaders are just selected by national government. This is a political issue that has to be resolved for us to generate full support from the Muslim community. If we have their support, then the leadership will be transparent.

As I have said, Muslim leaders should encourage freedom of thought, freedom of expression. It is appearing in Manila that Muslim leaders are the ones showing dictatorial powers. That is not practiced in Islam. Thank you.

Q

EcoGovernance is now helping ARMM in developing the so-called Sustainable Forest Management Act for ARMM because under the expanded Regional Autonomous Act, the region actually has the power to pass legislations in the autonomous region. During the roundtable discussions in Cotabato and Marawi, we were actually surprised that this issue of coming up with regulations on the environment in ARMM is an emotional issue. It appears that our brother Muslims there very much welcome this development because maybe the Regional Legislative Assembly hasn't come up with a major legislation that will affect the political and socio-economic structure there in ARMM.

We have engaged some well-known Muslim lawyers to assist us in our work, including professors in the forestry and natural resources sector, but we would like to request your assistance since we feel that you are speaking very much from your heart, if you could provide us the documents on the different Muslim peculiar traits so that we may incorporate this as we proceed in our work to assist ARMM.

A

Iribani: Thank you for your comments. I accept that invitation. I would like to say to you all today that I am candid enough. The issue in the MNLF, MILF and the problem of the Muslim government is that they feel that the society that they are in is not the society that they have helped develop, that there is a separate society that is designed for the Muslims. Of course, that is not true. The government is coming up with a government that is for everybody, whether you are a Muslim or a Christian. Let us encourage them to really become what they are—Muslims. The MILF say they want to put up an Islamic State. If we allow Muslim leaders to lead and govern, then there is no more reason to put up such a state. The ARMM Law already allows the enactment of local laws

that will cater to the needs of the people in the region. There is no reason for them to say, "We cannot implement Shari'a." There is a provision that allows the ARMM Assembly to legislate a law about the Shari'a. I am aware of this because I was part of the peace talks.

You just communicate with me and I will help. That is really my job. Thank you.

Q
A

Can you brief us on the IRA and what are the prospects for the LGUs to get a bigger share?

Dumogho: You know that the share of the LGUs is 40 percent of all national taxes collected by the Bureau of Internal Revenue (BIR) based on the three years preceding the current fiscal year. The IRA share of the LGUs now is based on the actual collection in 1999. In 1999, the actual collection was P338 B, and the share now of the LGUs for the current fiscal year is about P35 B.

The present law says that 40 percent of the actual taxes collected by the BIR is the share of the LGUs. But Article 10 Section 6 of the Philippine Constitution says that LGUs should be given just share in the national taxes. It did not say taxes collected only by the BIR. Therefore, the collection of the BIR, plus the collection of the Bureau of Customs, plus the collection of the Department of Environment and Natural Resources, and the collection of the Department of Transportation and Communications may be included in the computation.

There are three proposed amendments in Section 284 of the Local Code which deals with IRA. The first one is that the share of LGUs should be based on national taxes. Secondly, LGUs' share should increase from 40 percent to 50 percent. And the third amendment, is to delete the provision which authorizes the President to reduce the share of LGUs by not less than 30 percent in case there

is a declared public sector indebtedness. Senator Pimentel deleted that particular provision.

The question is: Do LGUs have the money to implement the programs devolved to them concerning the environment? My answer is "Yes." Even if they only use 1 percent of that allotment, there will be more than P1 billion. That is a substantial amount.

In so far as Senator Pimentel is concerned, he is going to fight through and through like the way he fought when the Local Government Code was being debated.

ANNEXES

PROGRAM

9:00 a.m.	Registration	
9:25 a.m.	National Anthem	
9:30 a.m.	Welcome Remarks	Prof. Jose Endriga Vice-President for Public Affairs University of the Philippines
9:45 a.m.	Introduction of Speakers	Director J. Prospero de Vera III Center for Leadership, Citizenship and Democracy

Presentations

“Autonomy and Devolution: Innovations on Governance in the Philippines,” Director Eleuterio Dumogho, representing Senator Aquilino Pimentel, Jr.

“Situationer on Governance in Central and Western Mindanao”
Abraham Iribani, DILG Assistant Secretary for Mindanao Concerns

11:00 a.m.	Open Forum	
	Moderator	Mr. Samuel Songcuan DENR, EcoGov Team
11:30 a.m.	Summary of Discussion	Dr. Ben Malayang Deputy Chief of Party, EcoGov
11:40 a.m.	Special Message	Secretary Heherson Alvarez DENR
11:50 a.m.	Closing Remarks	Mr. Francis Donovan Acting Mission Director United States Agency for International Development- Philippines

Master of Ceremonies - Director Medel Limsuan, DENR

Welcome Remarks

Prof. Jose Endriga

Vice President for Public Affairs

University of the Philippines System

Director Principe, ASec. Iribani, Director Donovan, Dr. De Vera, other distinguished guests in this assemblage, ladies and gentlemen. I am delighted to welcome you to this 2nd EcoGovernance Roundtable Discussion, with the theme "Innovations in Local Governance." We're honored to serve as one of the sponsors of this event, through the National College of Public Administration and Governance (NCPAG). The University joins the EcoGovernance Program of the DENR, and USAID, in the efforts to promote transparency, accountability, and participatory decision making among LGUs.

We at the NCPAG have been solid in our efforts at promoting the same endeavors by conducting research and training on devolution and local autonomy, capability building for LGUs, local resource management, and environmental management. We hope that through this roundtable discussion, we can intensify civil society and general awareness on EcoGovernance issues; help surface issues and concerns related to EcoGovernance, autonomy and devolution; identify priority policies that the program can help address; and share the outcome of the discussions with concerned groups to get broader effort for EcoGov initiatives.

We are looking forward to your active participation on this roundtable discussion. We hope that at the end of the program, we will all be convinced about the soundness of the EcoGovernance Program and its potential impact on the state of governance in our country. Thank you very much and good morning.

Summary of Discussion

Dr. Ben Malayang

Deputy Chief of Party

EcoGov

First of all I was tasked by our Chief of Party to explain that this project—the Philippine Environmental Governance Project—is a joint undertaking of the DENR, with funding and support from the USAID. This undertaking we have today—a roundtable discussion—is part of our activity to solicit general thinking on what might become inputs to policy initiatives of this project.

There was a time in our recent past when state governance in our country was characterized more by secret machinations rather than transparency, by caprice and patronage rather than accountability, and by powerplay and discretion rather than participatory decision making.

The result was a disaster to our sense of nationhood and to the posterity of our people. Our forests became a largesse for political patronage so our total forest cover declined more steeply in the last 50 years. Coastal fisheries declined and many of our otherwise productive bays at a rate faster than they ever did in 40 to 50 years before. The efficiency of solid waste management declined even as funding for it grew and skyrocketed than had been seen in the last 10 years.

At no time ever in 100 years of Filipino nationhood had our natural resources and environment become a mirror-image of our ugly failure of governance. Our natural resources—forests, fisheries, and minerals—lost their luster and integrity at the rate that we lost the integrity of the governance of our environment.

Our people rejected that state of governance in no uncertain terms. They marched in EDSA to reject the modality of non-transparency, of caprice and naked discretion as basis of governing the natural capital of our nation. "Never again" was the loud cry in EDSA. No less than the United Nations now rejects this mode of governing the environment when it adopted the Aarhus

convention on Transparency and Participatory Decision Making on Matters Relating to the Environment.

But while revolutions happen in days, the institution of revolutionary ideals may continue in years.

Thus, to this day, our country is engaged in the reconstruction and retrieval of our lost political self-respect. Government continues to retrieve its lost legitimacy and its ability to command trust and respect.

Devolution and other reforms are among the instruments that our government has been attempting to build up in order for our people to have a better rein over its affairs. These are the most recent articulation of state interventions to improve transparency, accountability, and participation in governance. In short, devolution and other attempts at decentralization and democratization of Philippine governance are an articulation of the continuing revolutionary struggle of the Filipino people to construct a new political ideology that easily translates to political integrity and to improving the integrity of our national and natural endowments.

Thus, the government, with the support and cooperation of international donors, has raised the level of efforts in this regard. We have EcoGov that seeks to raise transparency, accountability and participatory decision-making over matters involving the environment. We have also the Transparency and Accountability Governance (TAG) Project, with which we are collaborating, and hopefully at a higher level of cooperation we can develop and instill transparency and accountability not only in the public sector but in the private sector as well. Of course TAG as a project has been there quite longer than EcoGov and so we hope to learn something from them. We have even new initiatives in coastal resource management in which governance of natural resources—in this case coastal fisheries—are subjected to constant evaluation through a certification system.

This roundtable today gave us a good glimpse of political innovations that provide a good potential anchor for environmental governance.

But as all authentic struggles go, the value of today's discussions will prove itself in how much it is able to compel us to re-examine ourselves and to confront the integrity of our commitment to strengthen and elevate the level of good governance of the environment of our children.

Special Message

DENR Secretary Heherson Alvarez

I regret not being able to be with you in this important round of discussion of EcoGovernance due to an equally important commitment.

I wish to inform you that the Department is deeply committed to this endeavor. It is an entirely significant partnership and experience that the Department is pursuing together with our partners from the NCPAG, University of the Philippines; the League of Municipalities of the Philippines (LMP); and the USAID. This collaborative effort provides for a more workable goal towards improved EcoGovernance.

To date we are able to promote the EcoGovernance Program to make sure that we are properly addressing specific and priority issues on environment, nature conservation, as well as the old problem of poverty.

We are aware that these are worsened by the prevailing corrupt and inefficient practices in local resources management and governance. Such practices, my friends, should not be taken sitting down. Thus, we are up to affirm in our series of roundtable discussions like today that we are undoubtedly committed to make the EcoGovernance work. That we are here to listen, share, discuss, and most importantly learn particular lessons that hopefully would leave impact. We are creating opportunities for good stewardship of our coastal forest and fisheries and resources. Opportunities and empowerment are likewise provided to local government units (LGUs) by way of supporting their initiatives and policy reforms.

Our LGUs as mobilizers will be most effective in promoting these objectives by practice. The EcoGov program is initially being implemented in the ARMM and Regions 7, 9, 12, and Region 2. They are good take-off points.

For sure, we have existing innovations and policies, but the will to effect good governance is what we try to seek to ensure that management and implementation of our local services possibly in all areas of development and local governance, and most particularly the environment, are responsive to the needs of the society.

Thank you.

Closing Remarks

Mr. Francis Donovan
Acting Mission Director
USAID-Philippines

Director Dumogho, Regional Executive Director Antonio Principe of DENR, DILG Assistant Secretary Abraham Iribani, Dr. Prospero de Vera, Director of the Center for Leadership, Citizenship, and Democracy (CLCD), friends, ladies and gentlemen. *Magandang tanghali sa inyong lahat. Salaam Allah'ikum.*

Allow me to express my gratitude to the speakers and participants of this roundtable discussion for their candid insights and stimulating questions on important issues, especially to Director Dumogho for his offer of continued dialogue and to Assistant Secretary Iribani on his themes of consultation, justice and freedom of thought which are very similar to the themes of our projects, which deal with transparency, accountability, participation and enforcement.

The EcoGovernance Program is a shared undertaking of the Government of the Philippines and USA, and it is a relatively young program that began just last December. But in that time relationships with more than 20 local governments have been initiated in the conflict-affected areas of Mindanao—in the ARMM, and areas of Regions 9 and 12. Interactive assemblies hosted LGUs from the ARMM and from other provinces including Lanao del Norte, North and South Cotabato and the three Zamboanga provinces of Zamboanga del Sur, Zamboanga del Norte and Sibugay. Additional outreach to LGUs is ongoing and a similar process is going forward in the Visayas Region as well.

One clear message is that local governments play a key role. They are on the frontline in practicing good environmental governance. Though they share responsibility for environmental governance with the Department of Environment and Natural Resources, local governments have the lead responsibility for working with their local communities on the community-based natural resource management. And they face particular challenges regarding resources, capacity and the need to build

coalitions with other local governments to support each other, to multiply their efforts and to work across equal systems. They face the fact everyday that good environmental governance is about food security; their residents depend upon fisheries and coastal resources for food and protein on the daily basis. And local governments understand that good environmental governance is about alleviating conflict. Conflicts over forest, over coastal resources on which the livelihoods of so many Filipino families depend. And they understand it is also about public health and safe drinking water that becomes threatened when solid wastes are not properly managed and disposed of.

In short, good environmental governance makes a valuable contribution to prosperity and environmental security and ultimately, to peace. When people live in harmony with one another in managing, protecting and preserving their natural resources, peace and prosperity follows.

We at USAID work with local governments, with DENR, with many other institutions such as UP because we have a shared vision of food security, economic livelihood, mitigation of conflicts and environmental security. In short, we have a shared vision of peace. On behalf of USAID, I would like to thank you all for coming to this roundtable discussion. *Maraming salamat po.* Thank you.

EcoGovernance



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